

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 03-0233P

Sales Tax

For the Month December 2002

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superceded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

ISSUE

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

The taxpayer protests the late penalty.

STATEMENT OF FACTS

The late penalty was assessed on a monthly sales tax filing for the month of December 2002.

The taxpayer is a retailer of luggage and gifts. The taxpayer is headquartered out-of-state.

I. **Tax Administration** – Penalty

DISCUSSION

The taxpayer requests the penalty assessment be waived as the error was the result of using the wrong date. Furthermore, the taxpayer asks for waiver as the taxpayer has been timely in the past.

The Department says the taxpayer was late ten days. The taxpayer has been deemed an early filer where the due date of the monthly sales tax return is on the 20th of the month.

In regard to the month in question, the taxpayer's monthly tax return was postmarked the 30th, ten days late.

45 IAC 15-11-2(b) states, "Negligence, on behalf of a taxpayer is defined as the failure to use such reasonable care, caution, or diligence as would be expected of an ordinary reasonable taxpayer. Negligence would result from a taxpayer's carelessness, thoughtlessness, disregard or inattention to duties placed upon the taxpayer by the Indiana Code or department regulations.

Ignorance of the listed tax laws, rules and/or regulations is treated as negligence. Further, failure to read and follow instructions provided by the department is treated as negligence. Negligence shall be determined on a case by case basis according to the facts and circumstances of each taxpayer.”

The Department finds the taxpayer did not act with reasonable care in that the taxpayer was inattentive to tax duties. Inattention is negligence and negligence is subject to penalty. As such, the taxpayer’s penalty protest is denied.

FINDING

The taxpayer’s penalty protest is denied.